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T H E B E E F C A T T L E S I T U A T I O N  
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Summary

A large part of the downward readjustment in prices of the better grades of slaughter cattle, expected for the first half of 1938, apparently took place in November and December when prices of such cattle experienced one of the sharpest declines on record, the Bureau of Agricultural Economics reports. With the number of cattle on feed in the Corn Belt States on January 1 about 15 percent larger than the small number on feed in that area a year earlier, supplies of well-finished, grain-fed cattle are expected to increase considerably in the late winter and spring months.

Prices of slaughter cows and of the lower grades of steers probably will not change greatly during the first half of the present year, although they usually advance seasonally from January to June. The number and proportion of the lower grades of slaughter cattle marketed in the first half of 1938 probably will be somewhat smaller than a year earlier, and considerably smaller than in the last half of 1937, but the influence of reduced supplies on prices of such cattle may be about offset by the weakness in consumer demand for meats.

In the first week of January prices of choice and prime grade slaughter steers at Chicago, averaging \$10.21 per 100 pounds, were nearly \$8 lower than in late October and about \$2.50 lower than a year earlier. Prices of common grade steers and good grade slaughter cows, after declining seasonally from mid-summer to October, dropped about \$1 further from late October to early January. In early January, however, prices of good grade slaughter cows, averaging \$6.40, were about the same as those of a year earlier.

Among the factors responsible for the marked declines in prices of the better grades of cattle in November and December from the very high level in October were: (1) A slight increase in supplies of the better grades of cattle; (2) decreased consumer demand for meat, resulting principally from reduced industrial employment; (3) a seasonal increase in poultry consumption; (4) a greater-than-seasonal increase in pork consumption due chiefly to weakness in the storage demand for hog products; and (5) a sharp decline in hide prices.

Inspected cattle slaughter in December was practically unchanged from that of a month earlier, but was considerably smaller than in October, and in December a year earlier. The number of cattle to be slaughtered in 1938 is expected to be smaller than in 1937, when commercial cattle slaughter was the sixth largest on record, but the number of well-finished, grain-fed cattle marketed in 1938 will be much larger than a year earlier.

This issue contains a brief discussion of the wide fluctuations in livestock prices in 1937.

## REVIEW OF RECENT DEVELOPMENTS

BACKGROUND.- Prices of choice and prime grade steers advanced sharply during the summer and early fall months of 1937, largely as a result of the unusually small number of well-finished, grain-fed cattle in the slaughter supply. In October, prices of such steers at Chicago, averaging \$17.77 per 100 pounds, were the highest for all months in the 16 years of record. Prices of the lower grades of slaughter cattle, however, declined from early summer through October, largely as the result of a seasonal increase in marketings of such cattle.

Cattle prices sharply reduced in November and December

Prices of the better grades of slaughter steers and heifers, from late October to early January, experienced one of the sharpest declines on record. In the first week of January, prices of choice and prime grade slaughter steers at Chicago averaged \$10.21 per 100 pounds, or nearly \$8 lower than in late October and about \$2.50 lower than a year earlier. Prices of good grade heifers declined more than \$4 in November and December, and in early January were nearly \$3 lower than a year earlier. Prices of common grade steers and good grade slaughter cows, on the other hand, after declining seasonally by slightly more than \$1 from early summer through October, declined only about \$1 further from late October to early January. In early January prices of slaughter cows were not greatly different from prices of such cattle a year earlier, but prices of all grades of slaughter steers were lower. The spread between prices of the best and lowest grades of slaughter steers, which in October was the widest in the 16 years of record, narrowed sharply in November and December.

Prices of stocker and feeder steers at Kansas City declined seasonally from mid-August to late December. The total decline during this period, however, amounted to less than \$2 for good and choice kinds, and in the week ended January 8 prices of such steers, averaging nearly \$7, were slightly higher than a year earlier.

Among the factors responsible for the marked declines in prices of the better grades of slaughter cattle during the past 2 months from the high levels of the late summer and early fall were: (1) a slight increase in supplies of the better grades of cattle from the unusually low levels of the late summer and early fall months; (2) a decreased consumer demand for meats, resulting principally from reduced industrial employment; (3) a seasonal increase in poultry consumption; (4) a greater-than-seasonal increase in pork consumption; and (5) a sharp decline in hide prices.

No adequate measure of changes in market supplies of the better grades of slaughter cattle is available, but a rough indication is given by changes in the number of good to prime beef steers sold at Chicago out of first hands from the Corn Belt. The number of such steers sold from July to October 1937, totaling about 140,000 head, was 50 percent smaller than in the same period of 1936 and 49 percent smaller than the 1924-33 average for the 4-month period. Market supplies of such steers were somewhat larger in November and December than they were in October, and were only about 20 percent smaller than in the corresponding months of 1936.

During the summer and early fall of 1937, market supplies of hogs as well as of the better grades of cattle were unusually small. But in November and December hog slaughter increased materially, with a large part of the increased supplies moving into consumption channels as a result of a marked weakness in the storage demand for pork. Apparent consumption of pork in November and December totaled more than a billion pounds carcass weight (preliminary estimate); this was approximately 22 percent more than the total for July and August compared with a 5-year (1929-33) average increase of only 7 percent for this period. Increased pork consumption, moreover, occurred at a time when poultry consumption was seasonally large, and also when consumer demand for all meats was decreasing as a result of the sharp reductions in industrial activity and employment.

#### Incomes of consumers decline in late 1937

The index of nonagricultural income declined from 98.2 percent of the 1924-29 average in August to 95.1 percent in November. While no estimate is yet available for December, it is probable that a further decline occurred in that month and that income in December was below that of a year earlier. The decline in industrial employment and payrolls from August through November was considerably greater than the drop in nonagricultural income. Retail prices of beef in New York City declined materially from late October to late December. The index of retail beef prices in New York compiled by this Bureau was 83.8 percent of the 1924-28 average on December 31 compared with 103.3 two months earlier and 80.3 a year earlier.

In addition to the decrease in consumer demand for all meats, the sharp decline in hide prices from October to December also affected prices of slaughter cattle. Wholesale prices of heavy native steer packer hides at Chicago, averaging 14.4 cents per pound in December, were nearly 5 cents, or about 25 percent below the October average, and were more than 1 cent lower than in December 1936. Since the average weight of hides, however, amounts to only 6 or 7 percent of the live weight of slaughter cattle, a decline in hide prices of 5 cents a pound represents a reduction of but 30 to 35 cents per 100 pounds live weight in the wholesale value of slaughter cattle. Hence, the decline in hide prices from October to December, although relatively sharp, accounts for only a small part of the recent reductions in prices of slaughter cattle.



Cattle slaughter smaller in 1937 than in 1936

Little change occurred in cattle and calf slaughter from November to December. The number of cattle slaughtered under Federal inspection in December, totaling 859,000 head, was less than 1 percent larger than in November, but was 10 percent smaller than the seasonally large slaughter of October and 13 percent smaller than slaughter in December a year earlier. Inspected calf slaughter in December, totaling 452,000 head, was 3 percent smaller than in November and 8 percent smaller than in December 1936.

For the calendar year 1937, the number of cattle slaughtered under Federal inspection, totaling 10,070,000 head, was 9 percent smaller than in 1936. Most of the decrease from the preceding year occurred from July through December, since slaughter in the first 6 months of 1937 was almost as large as that of the corresponding period of 1936. Although smaller than a year earlier, inspected cattle slaughter in 1937 was 14 percent larger than the average for the 10 years 1924-33, and was the sixth largest commercial slaughter on record. The relatively large slaughter in the first 6 months of the year was due chiefly to the shortage and high prices of feed following the drought of 1936. Average live weights of cattle slaughtered in 1937 were considerably lighter than a year earlier and lighter than average, reflecting to a large extent the shortage of heavy, well-finished cattle in the slaughter supply.

Inspected calf slaughter in 1937, totaling 6,281,000 head, was 3 percent larger than in 1936 and was the largest commercial slaughter on record. The trend in calf slaughter in the United States has been sharply upward for many years. In 1907, the number of calves slaughtered under Federal inspection totaled only 2,024,000 head; in 1936 the number slaughtered totaled 6,070,000 head. All of the increase in calf slaughter in 1937 from the previous year occurred from January through June; slaughter from July through December 1937 was slightly smaller than that of a year earlier.

Number of cattle on feed January 1 larger than a year earlier

The number of cattle on feed for market in the 11 Corn Belt States on January 1, 1938, was estimated to be 15 percent larger than the number on feed January 1, a year earlier. For the 11 Western States, however, where the number on feed a year ago was the largest on record, a decrease of 2 percent is indicated. Larger numbers are reported to be on feed in other important feeding areas.

The number of cattle on feed in the Corn Belt, while larger than a year earlier, apparently is not large in comparison with numbers fed in most recent years of large corn production. Although the number on feed in the Eastern Corn Belt is probably the largest in nearly 15 years, the number in the Western Corn Belt is apparently much smaller than in most year before 1934. More cattle were on feed January 1 this year than last in all the Corn Belt States, except Kansas and Michigan. The largest percentage increases from a year earlier were in the Western Corn Belt, where cattle feeding a year ago was at a very low level as a result of the severe drought in 1936.

For the Western Corn Belt as a whole, the number on feed January 1 was about 19 percent larger than a year earlier, with the largest increases occurring in South Dakota and Nebraska. In the Eastern Corn Belt the average increase was 11 percent, with the largest gain occurring in Illinois.

Relatively large increases in the number of cattle on feed January 1 compared with a year earlier were reported for Texas and Oklahoma, with numbers being fed at cottonseed oil mills much larger than a year ago. Shipments of feeder cattle into the Lancaster, Pennsylvania, feeding area during the last half of 1937 were unusually large, with indications that the number fed in that area will be about 15 percent larger this year than last.

Reports from Corn Belt feeders as to the weights of cattle when put on feed show a relatively large proportion of yearlings, about an average proportion of feeder calves, and a smaller proportion of cattle weighing over 750 pounds than in any of the past 4 years. Marketings of fed cattle in the Corn Belt are expected to occur somewhat later in 1938 than in any of the past 5 years, with the greatest proportions of such marketings apparently intended for May or later.

#### WIDE FLUCTUATIONS IN LIVESTOCK PRICES IN 1937

Livestock and meat prices generally fluctuated more widely in 1937 than in any year since the World War. In most of the first three-quarters of the past year slaughter supplies of livestock were decreasing and demand conditions were generally favorable, but in the last 3 or 4 months of the year supplies of livestock, especially hogs, increased considerably. At the same time consumer demand for meats decreased and the storage demand for hog products was weak. Supplies of poultry also increased during the last quarter of the year. Consequently, conditions of both supply and demand since September have been depressing influences upon livestock prices, whereas from January through August both were strengthening influences upon livestock prices.

Prices per 100 pounds of livestock, selected months,  
1937

Year and month	: Steers, Chicago		: Average		: Hogs,		: Lambs,	
	: <u>1/</u>		: price paid		: average		: Chicago,	
	: Choice		: by packers		: at		: Good and	
	: and		: for all		: Chicago		: Choice	
	: prime		: cattle		:		:	
	: <u>Dollars</u>	: <u>Dollars</u>	: <u>Dollars</u>		: <u>Dollars</u>		: <u>Dollars</u>	
1937 -								
Jan.....	13.12	7.28	7.13		10.24		10.29	
Apr.....	14.32	7.75	8.22		9.97		12.22	
Aug.....	16.38	8.23	7.66		11.77		10.78	
Oct.....	17.77	7.35	6.60		10.03		10.08	
Dec.....	12.30	6.73			7.90		8.70	

1/ Beef steers sold out of first hands for slaughter.



In the case of cattle it will be noted in the foregoing table that prices of better grades of steers advanced much more in the first 8 or 9 months of 1937 than did the prices of common steers or the general average of all cattle prices. Consequently, the relatively high top prices reported for cattle in the late summer and early fall were for a very small number of steers and were by no means representative of prices at which most cattle were selling at that time.

#### Marked changes in feed supplies affect livestock situation

Fluctuations in livestock slaughter in 1937 were caused largely by changes in feed supplies. An extremely small feed crop in 1936 was followed by a relatively large crop in 1937. In 1936 the nation's corn crop was 40 percent, or 1 billion bushels, smaller than average because of the drought, despite the fact that the usual acreage of corn was planted. The very small corn crop of 1936 followed an equally small crop in 1934 and a somewhat larger, but below-average crop in 1935. Three small corn crops in succession made it necessary for farmers in 1935-36 to use practically all the reserve supplies of feed carried over from earlier years. Total feed supplies for fattening livestock at the beginning of 1937, therefore, were the smallest in at least 40 years. The shortage of corn and other feed grains made it necessary for farmers who fed cattle to feed a smaller number than usual and to market their cattle early. Heavy financial losses on feeding operations in the previous year also restricted cattle feeding in the 1936-37 season. Hog producers likewise were compelled to reduce their 1937 output.

Early marketings of cattle and hogs resulted in larger-than-average meat supplies during the first 4 months of 1937 and much smaller-than-average supplies during the period from June through October. Meat production from inspected livestock slaughter during July and August was the smallest for those months in more than 20 years. The proportion of beef from well-finished grain-fed cattle was reduced in the summer months considerably more than were total meat supplies.

Crop conditions in 1937 were unusually favorable. As a result, the largest harvest of feed crops in more than 5 years was made available last fall. These abundant supplies of feed, following a period of very short supplies, made it possible for farmers to resume normal feeding operations this fall and winter.

#### Marked seasonal increase in hog slaughter last fall

One of the important factors in the recent sharp drop in the general level of livestock prices since September has been the larger-than-usual seasonal increase in slaughter supplies of hogs. After reaching the lowest level in more than 40 years in August, inspected hog slaughter increased greatly, and the slaughter in December was about 2-1/2 times larger than in August. Hog slaughter in December is usually less than twice as large as that of August. Average weights of hogs marketed in the past 2 or 3 months also have been heavier than average for this time of year.

### Storage demand for hog products weak in late 1937

In addition to the large seasonal increase in hog marketings in recent months, the storage demand for hog products was relatively weak in November and December and was much weaker than a year earlier. Storage stocks of pork on November 1 were the second smallest on record and the increase in such stocks during November and December was much less than usual. Ordinarily large quantities of pork are placed in storage in the late fall and early winter, when hog slaughter is usually the largest for any season of the year, and such stocks are reduced materially during the summer months, when supplies of hogs are usually the smallest for any season of the year. The weak storage demand thus far in 1937-38 probably reflects the prospects for considerably larger slaughter supplies of hogs next summer than a year earlier and also the uncertainties as to consumer demand for hog products in the present year.

### Weakness in consumer demand for meats

Consumer demand for meats has weakened since last summer with the decrease in industrial activity and employment which has accompanied the current business recession. In the case of meats it also should be noted that in the late summer and early fall there was much consumer agitation against allegedly high meat prices. This agitation took the form of widespread protests and in some instances actual boycotting of meats by retail meat dealers and consumers. Although meat supplies have increased considerably and meat prices have declined materially since last summer, it is possible that consumer resistance to high meat prices as well as the decline in incomes of consumers has had an important bearing on the demand for meats in recent months.

### OUTLOOK

In the December issue of this report the following indications were given with respect to slaughter supplies and prices of cattle in 1938:

1. Slaughter of both cattle and calves in 1938 is expected to be smaller than in 1937. Slaughter of steers probably will not be greatly different, and may be slightly larger, but in those areas in which cattle numbers have been reduced in recent years because of drought it is expected that some restocking will be done, and this will result in fewer cows, heifers, and calves going to slaughter. Because of the larger feed supplies compared with those of a year earlier, and the relatively wide feeding margins obtained for cattle sold in the summer and early fall of 1937, the number of well-finished cattle marketed in 1938 will be much larger than in 1937.

2. Average weight of cattle slaughtered in 1938 will be considerably heavier than those of 1937, and this increase in weight will offset in part the decrease in numbers slaughtered. Total beef supplies for consumption, therefore, probably will be nearly as large as in 1937 and will include a larger proportion of beef at the better grades.

3. With prospects for relatively large marketings of grain-fed cattle in 1938, and some weakening in consumer demand for meats, prices of the better grades of cattle probably will decline more than seasonally during the first half of the year.

4. Prices of cows and of the lower grades of steers may advance seasonally during the first half of 1938 but probably will average somewhat lower than a year earlier.

Decline in prices of better grades of cattle earlier than expected

The prospects for prices of the better grades of cattle have changed somewhat since the December report was published. It now appears that a large part of the downward readjustment in prices of the better grades of slaughter cattle, which was expected to occur in the first half of 1938, took place from late October to early January, when prices of such cattle experienced one of the sharpest declines on record. The spread between prices of choice and prime and of common grade slaughter steers at Chicago, which in late September and October was the widest in the 16 years of record, narrowed from more than \$10 in late October to about \$4 in early January.

The situation with respect to supplies of grain-fed cattle in the current year may be somewhat similar to that of 1936, when there was also a considerable increase in cattle feeding. In each month of the year after January 1936 the slaughter of steers under Federal inspection was larger than that of a year earlier. The average price of choice and prime grade steers at Chicago declined from about \$13 in January 1936 to about \$8.50 in June of that year. In late 1935, however, there was no decline in prices of the better grades of cattle - a marked contrast to the sharp drop which occurred in late 1937. In November and December 1937 the decline in prices of the better grades of cattle was much greater than that which occurred in the first half of 1936, but it was from a much higher level. In early January 1938 prices of the better grades of slaughter cattle were about \$2 lower than in early January 1936, but they were \$2 higher than the low level reached in June 1936.

Although supplies of well-finished cattle in the first half of 1938 will be materially larger than in first half of 1937, they may not be so large as in the first half of 1936. It is also probable that total cattle slaughter in the first half of the present year will be smaller than in the first half of either of the previous 2 years. It appears, therefore, that the trend in prices of the better grades of cattle in the next 5 or 6 months will depend to a considerable extent upon the changes in consumer demand for meats.

Little change expected in prices of lower grades

It now seems probable that prices of slaughter cows and of the lower grades of steers will not change greatly during the first half of 1938, although they usually advance seasonally during the winter and spring months. The number and proportion of the lower grades of slaughter cattle marketed in the first half of 1938 probably will be somewhat smaller than a year earlier, and considerably smaller than in the last half of 1937, but the influence of reduced supplies on prices of such cattle may be offset by weakness in consumer demand for meats. After April it is expected that slaughter supplies of hogs will be larger than a year earlier, and this may tend to depress prices of the lower grades of cattle in the summer months.

In the first 6 months of 1937, when consumer demand for meats and hide prices were increasing, prices of the lower grade steers and of cows made somewhat more than the usual seasonal advance. In the first 6 months of 1938, however, the demand for meats probably will be weaker and hide prices probably will average lower than a year earlier. Consequently, it is likely that prices of the lower grades of cattle will average somewhat under those of a year earlier, unless the reduction in supplies of such cattle from a year earlier is very marked.



Price per 100 pounds of cattle and calves, December 1937,  
with comparisons

Item	Dec. : average : : 1924-33 :	Dec. : 1935 :	Dec. : 1936 :	Oct. : 1937 :	Nov. : 1937 :	Dec. : 1937 :
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Beef steers sold out of first hands at Chicago:						
Choice and prime .....	11.97	13.19	11.82	17.77	15.63	12.30
Good .....	10.18	10.62	10.38	13.39	11.42	9.69
Medium .....	8.67	8.23	8.64	10.01	8.67	7.90
Common .....	7.22	6.52	6.76	7.35	7.05	6.73
All grades .....	9.44	9.79	10.27	12.79	10.65	8.96
Cows, Chicago:						
Good .....	<u>1</u> /6.32	6.27	5.97	7.40	6.83	6.50
Low cutter and cutter .....	<u>2</u> /3.70	4.19	3.87	4.34	4.17	4.36
Vealers, Chicago:						
Good and choice .....	10.00	10.01	10.21	10.80	10.14	10.10
Stocker and feeder steers, Kansas City:						
500 - 300 pounds, good and choice .....	<u>3</u> /	7.47	6.61	7.88	7.36	7.06
800-1,050 pounds, good and choice .....	<u>3</u> /	7.38	6.70	8.54	7.55	7.11
Average price paid by packers:						
Cattle .....	6.85	6.22	6.42	6.60	6.34	
Calves .....	8.10	7.11	6.76	7.20	7.18	
Average wholesale price of packer hides, Chicago <u>4</u> /:						
Heavy native steers .....	14.51	14.81	15.62	13.88	15.25	14.38
Light native cows .....	12.73	11.31	13.75	16.19	11.50	10.81

1/ Good and Choice, 1924-27.

2/ Canner and cutter, 1924 - June 1926.

3/ Not available.

4/ 1924-36 from Annual reports of the Chicago Board of Trade; 1937 from The National Provisioner, simple average of weekly quotations.

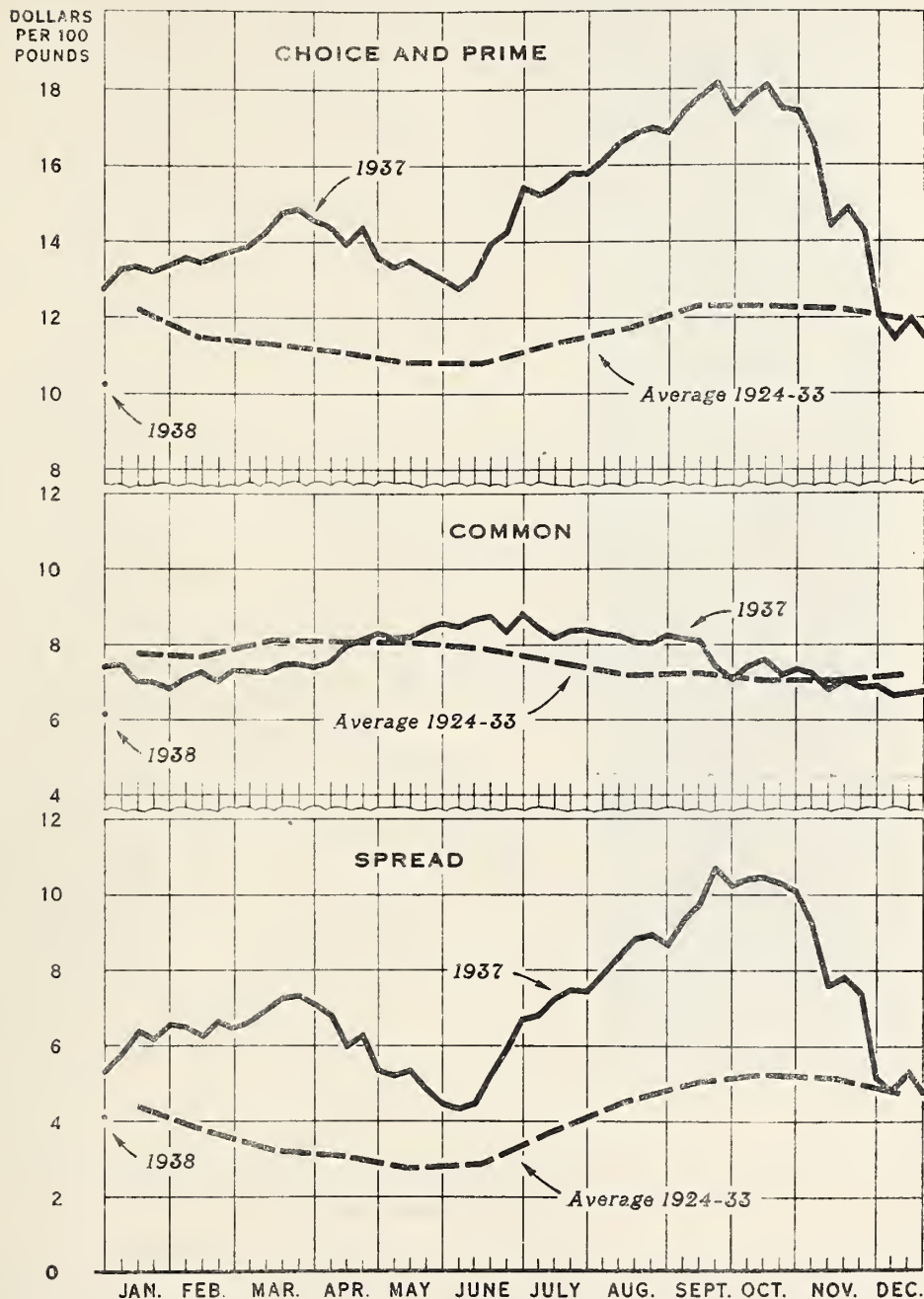


## Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Dec. : average: 1924-33:	Dec. : 1936:	Oct. : 1937 :	Nov. : 1937 :	Dec. : 1937
Slaughter under Federal inspection:						
Number slaughtered: <u>1/</u>	Thou-					
Cattle .....	sands	749	987	958	856	859
Calves .....	do.	385	494	525	468	452
Beef steers sold out of first hands at Chicago:						
Choice and prime .....	do.	11	28	5	5	5
Good .....	do.	34	18	20	29	27
Medium .....	do.	38	17	9	16	23
Common .....	do.	11	9	3	7	8
All grades <u>2/</u> .....	do.	95	72	38	57	63
Receipts of cattle at seven markets <u>3/</u> .....	do.	4/ 599	654	861	760	587
		Nov. : average: 1924-33:	Nov. : 1936 :	Sept. : 1937 :	Oct. : 1937 :	Nov. : 1937
Slaughter under Federal inspection:						
Number slaughtered:	Thou-					
Cows and heifers .....	sands	434	620	581	630	546
Steers .....	do.	316	336	316	292	283
Average live weight:						
Cattle .....	Pound	947	912	883	892	876
Calves .....	do.	185	214	215	214	207
Average dressed weight:						
Cattle .....	do.	498	465	451	449	453
Calves .....	do.	106	116	120	118	116
Total dressed weight:						
Cattle .....	Mil.lb.	381	456	421	427	387
Calves .....	do.	41	55	65	62	54
Stocker and feeder shipments from : public stockyards: <u>5/</u>	Thou-					
Cattle .....	sands	426	352	379	497	372
Calves .....	do.	74	97	58	98	90
Imports:						
Cattle <u>6/</u> .....	do.	27	14	30	34	17
Canned beef <u>7/</u> .....	1000 lb.	8/2,205	3,703	10,421	7,435	6,968

- 1/ Bureau of Animal Industry. 2/ Totals of unrounded numbers.  
3/ Chicago, Kansas City, Omaha, East St. Louis, St. Joseph, Sioux City, and  
St. Paul. 4/ Average 1929-33. 5/ Approximately 62 public stockyards  
prior to 1936, when the number was increased to 69.  
6/ United States Department of Commerce. General imports prior to 1934,  
beginning January 1, 1934, imports for consumption.  
7/ United States Department of Commerce. Imports for consumption.  
8/ Figures include "other canned meats" prior to 1929.

**BEEF STEERS\*: AVERAGE PRICES OF CHOICE AND PRIME AND OF COMMON GRADES, AND SPREAD BETWEEN THESE PRICES, CHICAGO, AVERAGE 1924-33, AND 1937 TO DATE**



\* SOLD OUT OF FIRST HANDS FROM THE CORN BELT

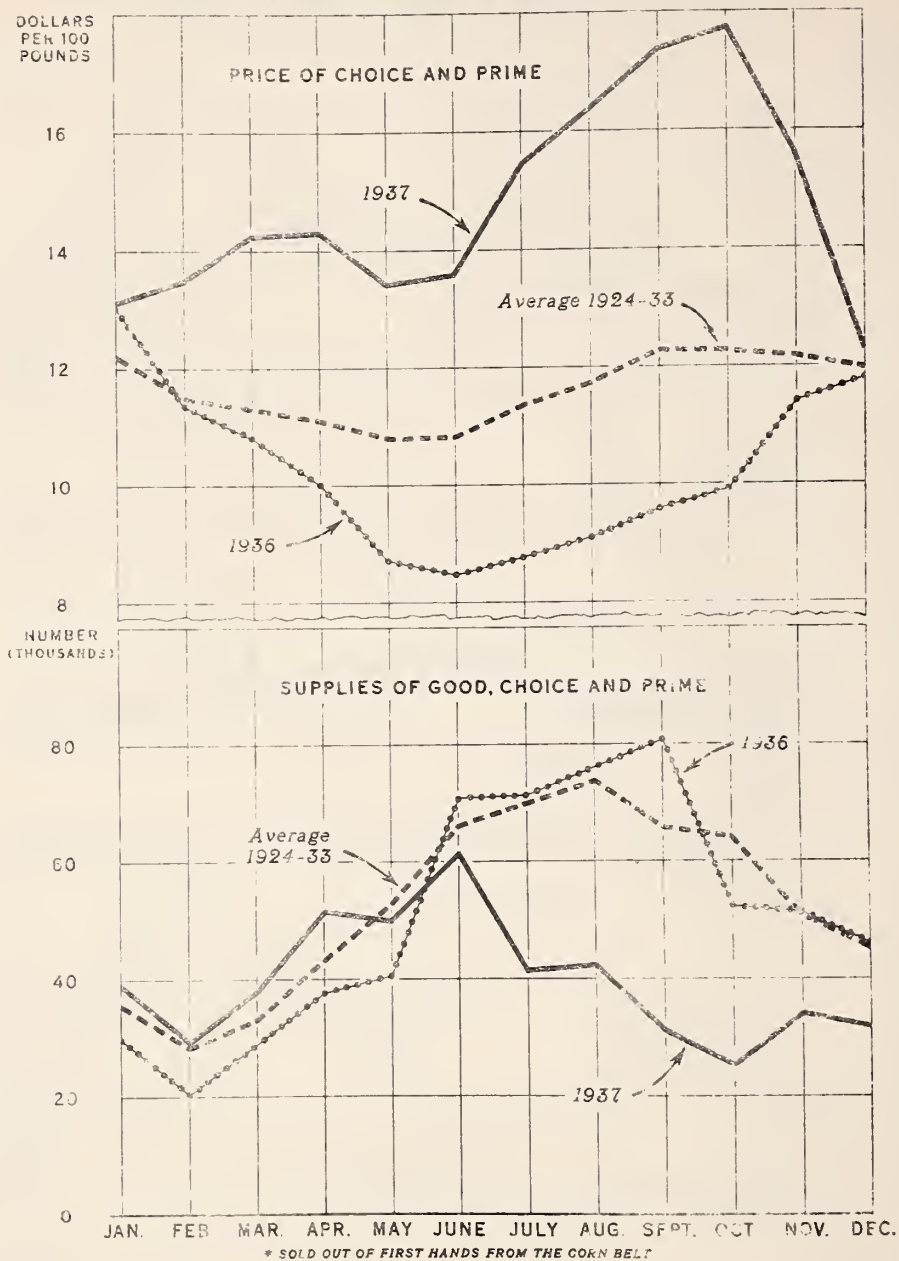
U. S. DEPARTMENT OF AGRICULTURE

NEG. 34002

BUREAU OF AGRICULTURAL ECONOMICS

**FIGURE 1.-** IN LATE SEPTEMBER AND OCTOBER 1937, THE SPREAD BETWEEN PRICES OF THE BETTER GRADES AND LOWER GRADES OF SLAUGHTER STEERS AT CHICAGO WAS THE WIDEST IN 16 YEARS OF RECORD. THE SPREAD NARROWED GREATLY IN NOVEMBER AND DECEMBER WHEN PRICES OF THE BETTER GRADES EXPERIENCED ONE OF THE SHARPEST DECLINES ON RECORD, AND BY EARLY JANUARY 1938 IT WAS SOMEWHAT BELOW THE 1924-33 AVERAGE.

# **BEEF STEERS\*: AVERAGE PRICE AND SUPPLY AT CHICAGO, AVERAGE 1924-33, AND 1936-37**



U. S. DEPARTMENT OF AGRICULTURE

NEG. 34661

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**FIGURE 2.— PRICES OF CHOICE AND PRIME GRADE SLAUGHTER STEERS AT CHICAGO DECLINED SHARPLY FROM LATE OCTOBER 1937 TO EARLY JANUARY 1938. DURING THE SUMMER AND EARLY FALL OF 1937, WHEN SLAUGHTER SUPPLIES OF WELL-FINISHED, GRAIN-FED CATTLE WERE UNUSUALLY SMALL, PRICES OF CHOICE AND PRIME STEERS ADVANCED SHARPLY, AND IN OCTOBER AVERAGED THE HIGHEST IN THE 16 YEARS OF RECORD. SEVERAL FACTORS WERE RESPONSIBLE FOR THE SHARP DECLINE IN PRICES AFTER OCTOBER, AMONG WHICH WERE INCREASED SUPPLIES OF SUCH CATTLE, A LARGER-THAN-USUAL INCREASE IN HOG SLAUGHTER, WEAKNESS IN THE DEMAND FOR MEATS, AND LOWER PRICES FOR HIDES.**